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October 10, 2013

Mr. Keith Wallace California Department of Water Resources Division of Integrated Regional Water Management Financial Assistance Branch Post Office Box 942836 Sacramento, CA 94236

RE: Proposition 84 Inyo-Mono IRMW Grant Application Proposal Evaluation

Dear Mr. Wallace:

The Inyo-Mono IRWM group submitted a proposal for consideration of Proposition 84, Round 2, funding entitled, "Promoting Sustainability in the Inyo-Mono Region: Understanding Regional Groundwater Resources and Upgrading Infrastructure in DAC Water Systems." While acknowledging the Department of Water Resources evaluation awarded the proposal 45 of a possible 80 which did not qualify the proposal for funding, I feel the evaluation did not reach the proper conclusions with respect to that portion of the project submitted on behalf of the Indian Wells Valley Water District.

The project submitted by the Indian Wells Valley Water District within the proposal is a Brackish Water Resources Study. In reviewing the DWR's evaluation of this project, I note the following comments:

- The project does not include specific data management deliverables in its work plan. The purpose of the study is to identify and fill specific data gaps in order to determine the extent of a known brackish water resource within the Indian Wells Valley aquifer. Specific deliverables cannot possibly be known until the study is completed. Generally, we can say with confidence we expect the following deliverables that have been included in the work plan:
 - A refined groundwater basin conceptual model;
 - New maps and figures;
 - Viability of developing a brackish water supply;
 - If applicable, recommended location(s) for brackish water supply development; and
 - If applicable, impacts of brackish water source development on the groundwater basin
 - and other pumping centers.
- 2) The project has a large amount reserved for contingency for a feasibility study with no construction or implementation costs. Review of the work plan indicates no construction so it is unclear why a contingency is included.

The proposal involves a review of existing studies and reports to identify where data gaps exist within the Indian Wells Valley basin. Once gaps are identified, actions would follow to address them. The proposal states "If needed, we will determine up to four locations for monitoring wells...." and "We anticipate needing to collect up to 25 new water-quality samples and analyze them to determine the water source, the age of the water, the zones of brackish water, and the interconnectedness of the aquifer." The contingency takes into account the fact that the exact number of monitoring wells and the extent of the sampling is an unknown until the review of existing data and studies is complete.

3) The project does not appear to be technically justified to achieve the benefits claimed.

It would be helpful if DWR would elaborate on this assertion. The objective of the project is to fill existing data gaps in order to define a resource that has the potential to supplement the local groundwater supply. Indian Wells Valley Water District has already completed a study to determine if treatment of the local brackish resource is feasible and constructed and operated a pilot plant to demonstrate the water can, in fact, be treated and the cost of doing so. The next step in the process is to define the resource in order to determine if the supply is adequate to justify the capital investment required to treat the brackish water on a large scale.

4) The project claims one physical benefit, "Increased supply of groundwater"; however the proposed project will not produce a new water supply.

The Indian Wells Valley basin is categorized as a closed basin with groundwater the sole source of potable water. It is known that a potentially significant brackish water resource exists within the basin. Whether this can be considered a "new water supply" depends on your definition. Though it is not a new supply in the context that it is within the basin, it is a resource that has the potential to extend the lifespan of the local groundwater supply and reduce the dependency on alternate sources outside the basin. I would make the argument that it is a new supply in that it increases the amount of groundwater available for use within the basin.

5) The study claims the project will not result in any adverse physical benefits, but if a brackish water supply were ever developed, treating the water would have impacts (i.e. production of waste brine).

The project, as defined in the work plan, is limited to a study to define the resource. As such, there are no adverse physical impacts. The DWR comment extends beyond the scope of this project to include actual development and treatment of the resource. That is not a part of this proposal and, in my opinion, should not be a factor in determining the merits of this project. That would be addressed should the study indicate there is sufficient resource to justify constructing treatment facilities.

Beyond the comments directly pertaining to the Indian Wells Valley study, I find it curious the Santa Ana Watershed Project Authority proposal that scored 42 points was awarded \$8,333,500 while the Inyo-Mono proposal that scored 45 points and requested \$2,235,330 receives no funding. It was my understanding the project ranking process was the primary method for determining funding.

I understand the evaluation process for the proposals can be quite cumbersome, but I would encourage you to take a closer look at the Indian Wells Valley study in light of my comments. The Inyo-Mono proposal includes

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projects that would have a significant impact on disadvantaged communities in the Inyo-Mono area so it is important that the proposal receive a thorough, objective review.

With regards,

Don Zdeba

General Manager, Indian Wells Valley Water District